



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

February 18, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**REPORT ON THE ADVISORY BOARD FOR KING/DREW MEDICAL CENTER
(ITEM NO. S-1, AGENDA OF FEBRUARY 22, 2005)**

On February 8, 2005, on a motion by Supervisor Burke, as amended by Supervisor Knabe, your Board approved in concept the Advisory Board for Martin Luther King, Jr./Drew Medical Center (KDMC), as recommended by Navigant Consulting (Navigant) in its final assessment report. Your Board further requested that Navigant report back in two weeks with answers to questions regarding the Advisory Board's membership, frequency of meetings, and accountability, in addition to other issues related to the Advisory Board's creation and on-going responsibilities.

Navigant's attached governance implementation report, developed with input from County Counsel, the Department of Health Services (DHS), and my office, clarifies that your Board will remain the official governing body for KDMC for all purposes and retain ultimate authority for the quality of care and the operation of KDMC. As further discussed in the report, however, specific responsibilities would be delegated to the Advisory Board to enable it to provide policy-level direction and oversight to KDMC on behalf of your Board.

The report describes the proposed duties and responsibilities of the Advisory Board, which will be called the KDMC Hospital Advisory Board (HAB), and includes recommendations for 7 of the initial 13 voting members of the HAB. This includes four members of the current KDMC Advisory Board who have agreed to continue as members of the HAB and three ex-officio voting members (DHS Director, Drew University Board Chairman or designee, and President of the KDMC Professional Staff Association). The HAB membership proposed at this time is also attached as part of the report. A subsequent communication will be provided to your Board on February 22, 2005, with additional names of individuals, selected from candidates submitted to my office who have expressed willingness to serve on the HAB.

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It is anticipated that these appointed HAB members, with participation from my office, DHS and Navigant, would recommend for consideration by your Board additional members for any remaining seats and for additional seats as needed to ensure that the optimal range of expertise is available to the members in meeting their duties and responsibilities. The HAB would also develop its process for ensuring participation and ongoing input from the communities served by KDMC. The list of potential candidates for HAB membership will continue to be coordinated through my office.

Upon approval of the report by your Board, the HAB will have 60 days to develop bylaws, with advice and assistance from County Counsel, and to submit them for approval by your Board. The bylaws will govern HAB activities, including member terms, member succession, meeting frequency, the standing committee structure, and the scope and extent of authority delegated by your Board. The HAB will, within 30 days, develop a staff support plan. Navigant recommends that staff support be provided by the office of the KDMC Chief Executive Officer.

The report further describes the various tasks the HAB will be authorized to perform, including to assure that KDMC has organizational management and planning, to work with KDMC leadership in directing staff to correct deficiencies it discovers in these areas, to assure the coordination and integration among KDMC leaders to allow them to establish policy and maintain quality care and patient safety, and to evaluate the availability of resources and make recommendations to DHS on changes necessary to assure patient safety and quality care.

The HAB will also participate in the selection of an individual for appointment to the position of KDMC Chief Executive Officer. In addition, the HAB will recommend to DHS the scope of hospital services, an annual operating budget and a long-term capital expenditure plan for KDMC, and will participate with DHS and my office in developing final budget and capital expenditure plans for presentation to your Board. The HAB will not, however, have responsibility for DHS contracts or contract monitoring, and therefore has no responsibility for the Navigant contract.

Please contact me if you have questions or need additional information.

DEJ:DIL
SAS:bjs

Attachments

c: Executive Officer, Board of Supervisors
 County Counsel
 Director of Health Services

King Drew Medical Center Governance Implementation

- The name of the governing body will be the King/Drew Medical Center (KDMC) Hospital Advisory Board (HAB).
- The Los Angeles County Board of Supervisors (BOS) will remain the official governing body for KDMC for all purposes, including compliance with federal Medicare regulations, Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) standards, and state licensing rules. BOS will therefore retain ultimate authority for the quality of care and the operation of KDMC. However, to the extent possible, BOS will delegate the responsibilities described below to HAB, with the goal that HAB provide policy-level direction and oversight to KDMC. In some cases, HAB will be given final decision making authority; in all other circumstances, HAB will make recommendations which will be presented to BOS or the Director of the Los Angeles County Department of Health Services (DHS) for consideration.
- HAB members will be appointed by BOS. Membership will include the following:
 - Current members of the KDMC Advisory Board who are willing to serve as voting members of the HAB
 - Ex officio HAB voting members:
 - Director of DHS
 - Charles R. Drew University of Medicine and Science (Drew) Board Chairman, or his designee
 - President of the KDMC Professional Staff Association
 - Additional voting members to bring the total initial membership to 13
 - Ex officio non-voting member:
 - KDMC Chief Executive Officer
 - Successor or replacement members will be appointed by BOS from a list of nominees provided by HAB
- Within 60 days of the appointment of HAB, with the advice and assistance of the Los Angeles County Counsel, HAB will develop bylaws and submit same for BOS approval. Topics to be covered in the bylaws include:
 - HAB member terms (Navigant recommends three-year terms), filling of vacancies, removal of members, etc.
 - Conflict of interest policy, consistent with California state law
 - Meeting frequency (Navigant recommends at least monthly, more often during first several months)
 - Standing committee structure, with regular meetings scheduled at least monthly, which may include the following:
 - Quality Committee
 - Credentialing Committee (including medical staff representation)
 - Strategic Planning Committee
 - Finance Committee
 - The scope and extent of decision making authority delegated by the BOS (see below for enumeration.)

- Compliance with public meeting requirements
- To assure accountability, HAB will make periodic reports, in addition to those specified in this document, to BOS on its activities.
 - At the outset, this report shall be provided monthly; upon instruction from BOS, this report shall change to a quarterly basis.
 - These reports may include the following:
 - Decisions and recommendations made since previous report to BOS
 - Pending projects, audits and reviews
 - Critical licensure and accreditation issues
 - Summary of participation by individual HAB members
- Within 30 days of appointment, HAB will develop a staff support plan (Navigant recommends staff be provided by the office of KDMC Chief Executive Officer).
- HAB would be given the authority to perform the following tasks, related to JCAHO required governing body functions:
 - Evaluate KDMC organizational management and planning and work with hospital leadership to correct deficiencies it discovers in these areas.
 - Recommend scope of hospital services to DHS, for approval as appropriate by BOS.
 - Participate in selection of an individual for appointment by the Director of DHS to the position of Chief Executive Officer of the hospital.
 - Assure the coordination and integration among the hospital's leaders to allow them to establish policy and maintain quality care and patient safety.
 - Evaluate the availability of resources and make recommendations to DHS on changes necessary to assure patient safety and quality care.
 - Evaluate annually the hospital's performance in relation to its vision, mission, and goals, and provide such evaluation to BOS and DHS for their consideration along with recommendations for improvement.
 - Provide a system for resolving conflicts among leaders and the individuals under their leadership.
 - Receive annual reports from hospital management addressing system or process failures and actions taken to improve safety, both proactively and in response to actual occurrences and assure that hospital leadership has responded appropriately.
 - Review the medical staff bylaws and, after appropriate consultation with DHS, work with medical staff to develop any required revisions to such bylaws for approval by BOS.
 - Exercise delegated authority from BOS to grant, renew, revise, or deny setting-specific clinical privileges that are based on recommendations from the medical staff and are consistent with BOS approved scope of services; this responsibility and authority may be delegated to a committee of the HAB
 - Recommend to DHS an annual operating budget and participate with DHS and the Los Angeles County Chief Administrative Office (CAO) in developing a final budget for presentation to BOS.

- Recommend to DHS a long-term capital expenditure plan and participate with DHS and CAO in developing a final plan for presentation to BOS.
- Receive and evaluate reports on malpractice, patient satisfaction, and compliance with regulatory and accreditation requirements and supply such evaluation to DHS and BOS
- Additional HAB responsibilities, include:
 - Direction to KDMC management, and monitoring of its performance, in at least the following areas:
 - Sustained implementation of Navigant Consulting, Inc. recommendations and the ongoing reporting to HAB and DHS on the status of such implementation.
 - Provision to HAB and DHS of accurate and timely clinical and financial information, including metrics to enable ongoing evaluation of KDMC's performance over time compared with best practice performance levels of similar institutions.
 - Conformity to DHS and other County operating policies and procedures.
 - Identification of clinical and operational problems and the development and implementation of plans to resolve deficiencies in a timely manner, with regular progress reports to the HAB and DHS.
 - Provision of recommendations regarding appropriate external expertise to assist in establishing a HAB education and development program.
 - Maintenance of current scope of services, unless modified by BOS.
 - Oversight of KDMC management's monitoring of compliance by both Charles R. Drew University of Medicine and Science (Drew) and DHS with the terms and conditions of the Medical School Operating Agreement (affiliation agreement), especially as those terms relate to the commitment by Drew and DHS to the dual mission of patient care and teaching at KDMC.
 - Creation of recommendations to DHS of clarifications to the Medical School Operating Agreement in the areas of physician staffing levels, time allocations, and time reporting methodologies, and medical accountability for individual and collective physician performance related to the quality of medical services.
 - Evaluation of graduate medical education programs related to compliance by KDMC, DHS, and Drew with obligations as they relate to appropriate supervision of residents, adherence to Residency Review Committee and ACGME program requirements, and adequacy of clinical experience, and recommend improvements to compliance in these areas, by all parties, as appropriate.
 - Collaborate with DHS to seek opportunities to strengthen graduate medical education programs, including exploring the merits of establishing new relationships with other academic medical centers and/or schools of medicine.

- Development of KDMC Strategic Plan for approval by DHS and BOS.
- Development of an Information Technology Plan consistent with KDMC's and DHS' clinical and business strategy for approval by DHS and BOS.
- Evaluation of financial performance consistent with KDMC's annual operating budget and productivity standards and recommending and directing the implementation of expense reduction, clinical resource management and revenue cycle initiatives, after coordination with DHS; any service reductions require approval by BOS.
- Evaluation of hospital business practices, policies and procedures that influence the quality of care and/or impede efforts to provide care in the most cost effective manner possible. Where a business practice is particular to KDMC, initiate changes as appropriate. Where a business practice is based on DHS or County-wide policy, make recommendations to DHS for change. In all cases, assure compliance with appropriate KDMC, DHS, or County-wide policies.
- Review Human Resources activities with respect to recruitment and retention and implementation of improvements in employee training and orientation, and management training and development. Make recommendations to DHS regarding changes in labor contract terms and conditions, supervisor/employee relations, performance evaluations and opportunities to reduce workers compensation utilization.
- Review the provision of services by KDMC staff to other DHS health centers.
- Cooperation and consultation with DHS in its oversight of the interim management and implementation services provided by Navigant Consulting, Inc.
- In the event HAB identifies any Los Angeles County policies and procedures that impede management's efforts to provide high quality, cost effective clinical services, it will be the responsibility of HAB to report such instances to DHS and BOS along with an appropriate recommendation for relief.

King Drew Medical Center Proposed HAB Membership

Current members of the KDMC Advisory Board who are willing to serve as voting members of the HAB:

1. Hector Flores, MD, Chairman
2. Michael Drake, MD
3. Joseph Van Der Muelen, MD
4. James Lott

Additional HAB voting members:

1. Director of LADHS, ex officio – Thomas Garthwaite, MD
2. President of PSA, ex officio – Rosalyn Scott, MD
3. Drew University Board Chairman, or his designee, ex officio